

Message Text

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ACTION EB-06

INFO OCT-01 EUR-08 ISO-00 SSO-00 NSCE-00 INRE-00 CAB-02

CIAE-00 COME-00 DODE-00 DOTE-00 INR-05 NSAE-00 RSC-01

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FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC IMMEDIATE 4593

C O N F I D E N T I A L THE HAGUE 5173

E.O. 11652: N/A

TAGS: EAIR, NL

SUBJECT: US-GON CIVAIR TALKS, OCTOBER 22

REF: THE HAGUE 5153

1. SUMMARY

CHAIRMAN OF DUTCH DELEGATION ZWANENBERG REPORTED THAT TRANSPORTATION AND FOREIGN AFFAIRS MINISTERS UPHELD DELEGATION'S POSITION REJECTING POSSIBILITY OF FURTHER CONSULTATIONS BASED ON US OPENING STATEMENT. ZWANENBERG CALLED US OBJECTIVE PRE-DETERMINATION OF TRAFFIC AND THEREFORE UNACCEPTABLE. NEVERTHELESS, HE MOVED TALKS OFF DEAD CENTER THROUGH PROCEDURAL DEVICE OF HAVING KLM REPRESENTATIVE PRESENT AIRLINE'S CAPACITY PLANS THROUGH '76-77. WALDMANN USED THIS PLOY TO CONTINUE DISCUSSIONS BY ASKING FOR TIME TO STUDY AND COMMENT AS WELL AS PROVIDE STATISTICAL DATA OF OUR OWN. WHILE STICKING TO PRINCIPLE THAT NO BASIS EXISTED FOR CONSULTATIONS ZWANENBERG AGREED TO MEET AGAIN AT 1100 HOURS OCTOBER 23.

END SUMMARY.

2. MEETING, POSTPONED FROM 1100 HOURS TO ALLOW DUTCH

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DELEGATION TO CONSULT WITH MINISTERS OF TRANSPORT

WESTERTEP AND FOREIGN AFFAIRS VAN DER STOEL, RESUMED AT 1500 TODAY. ZWANENBERG OPENED SAYING HIS MINISTERS FULLY SHARED DELEGATION'S POSITION, I.E., US OPENING STATEMENT COULD NOT BE SEEN AS BASIS FOR FRUITFUL DISCUSSION. ZWANENBERG SAID US POSITION DID NOT HAVE VALID BASIS IN BILATERAL AGREEMENT AND WAS INCONSISTENT WITH ESSENTIAL PARTS OF BERMUDA AGREEMENTS. HE COULD NOT UNDERSTAND OBJECTIVE OF US PROPOSALS UNLESS THEY WERE TO ELIMINATE A LARGE MEASURE OF COMPETITION TO US CARRIERS AND TO RESULT IN PRE-DETERMINATION OF TRAFFIC. HE CHARACTERIZED THIS AS AN END TO FREE ENTERPRISE BECAUSE IT WOULD ELIMINATE TRANSIT TRAFFIC BY NETHERLANDS. HE SAID COUNTRY SUCH AS NETHERLANDS COULD NOT AFFORD TO LOSE SUCH TRAFFIC.

3. AFTER TAKING THIS HARSH LINE ZWANENBERG SAID THAT KLM HAD TAKEN RECENT DEVELOPMENTS IN CIVIL AVIATION MARKETS INTO CONSIDERATION AND MOREOVER GON HAD ASKED KLM TO TAKE STEPS TO REMOVE ANYTHING WHICH WOULD HAVE A NEGATIVE INFLUENCE ON BILATERAL NEGOTIATIONS. HE THEN TURNED TO KLM VICE PRESIDENT WASSENBERGH, A DELEGATION MEMBER, TO SUBMIT SOME DATA ON WHICH KLM HAS BASED ITS PLANNING FOR NEXT FEW YEARS. WASSENBERGH DISTRIBUTED TO US DELEGATION COPIES OF A PAPER SHOWING PLANNED KLM CAPACITY THROUGH YEAR 1976-1977 BROKEN DOWN BY THREE US POINTS SERVED BY KLM. HE SAID FIGURES WERE BASED ON ESTIMATE OF TRAFFIC GROWTH REFLECTING ESTIMATE IT WOULD BE MUCH BELOW NORMAL 11 PERCENT INCREASE OF RECENT YEARS. HE SAID THESE PLANS HAD BEEN DISCUSSED WITH GON AND BEEN APPROVED.

4. FOLLOWING A RECESS REQUESTED BY WALDMANN IN WHICH TO REVIEW KLM PAPER WALDMANN MADE SEVERAL POINTS INCLUDING FACT THAT ALTHOUGH THERE WAS SOME REDUCTION IN NUMBER OF SEATS HE NOTICED THIS DID NOT NECESSARILY REFLECT REDUCTION IN PASSENGERS CARRIED BECAUSE THERE WAS NO DECREASE IN KLM FREQUENCIES. MOREOVER, PAPER DID NOT SHOW ASSUMPTIONS FROM WHICH FIGURES WERE DERIVED. HE SAID IT WOULD BE USEFUL TO ANALYZE DATA IN MORE DETAIL AND SAW NEED FOR ADDITIONAL FACTS ON CARGO CAPACITY. CONFIDENTIAL

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WALDMANN EXPRESSED OPINION THAT PLAN PRESENTED BY KLM DID NOT SOLVE PROBLEM OF OVER-CAPACITY BUT SAID WE WOULD BE WILLING TO CONSIDER OTHER DATA KLM MIGHT SUBMIT AND TO TRANSLATE POSITION US GAVE IN OPENING STATEMENT INTO SPECIFIC FIGURES FOR COMING YEARS. WALDMANN REQUESTED ADJOURNMENT UNTIL FOLLOWING DAY.

5. ZWANENBERG RESPONDED THAT HE DID NOT SEE HOW DIS-

CUSSION OF FIGURES COULD LEAD TO AGREEMENT AND DID NOT
WANT TO LEAD US DELEGATION TO BELIEVE THAT BY ENTERING
INTO SUCH DISCUSSIONS IT WAS POSSIBLE TO REACH SUCCESS-
FUL RESULTS. NEVERTHELESS, HE AGREED TO CONTINUE
NEGOTIATIONS AT 1100 HOURS OCTOBER 23.
GOULD

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